

The Secretary  
Senate Select Committee on Climate Policy  
PO Box 6100  
Parliament House

### **Personal Submission to Senate Select Committee on Climate Policy**

**Gemma Tillack**

As a member of the Australian community I expect the leaders of my country to take immediate action to reduce Australia's greenhouse gas emissions and advocate for a strong international climate agreement in Copenhagen.

Every day we witness the direct impacts of the destabilization of the Earth's climatic systems through ongoing drought, floods, bushfires, natural disasters, the break up and loss of important glacial icesheets, the displacement of island communities, ecosystem collapse and the local extinctions of flora and fauna. We have everything to loose so we need to act now to give us and nature the best chance of survival.

We urgently need to stabilise greenhouse gas emissions at 300 ppm to ensure a safe climate for us, all peoples, all countries and future generations.

The Australian Government needs to be a global leader and announce a commitment to at least 25% cuts in our greenhouse gas emissions by 2020 before Copenhagen. The current target of 5%, or 15% if there is a strong agreement in Copenhagen, is not acceptable. It is actually embarrassing that the Australian Government would propose this target that will not assist global efforts to avoid dangerous climate change. We are facing a climate emergency and all governments need to act responsibly now, and not bow to the interests of the major carbon polluters, especially the coal industries in Australia.

We are facing a global climate crisis, a global economic crisis and a peak oil crisis. What is required is a vision that all Australians can believe in which will help us all to transform our society so we can have a safe, healthy, fair and sustainably prosperous future. The Australian government needs to put politics and personal wealth and relationships aside and address these three crisis at once and lay the foundations for a positive, safe and low carbon energy and economy.

We must make massive reductions in our emissions of greenhouse gases emissions and strive to have a 100% renewable energy sector by 2020. This transition will provide new opportunities for employment, and create alternative economies. I believe the Australian Government and our community are equipped to deal with the short term economic costs of restructuring our energy, transport and land use sectors and implementing a just transition for workers in carbon polluting industries.

We elected the Rudd Government on the basis that the new Government would take real action on climate change and we have been let down to down by the performance of the government so far.

The only climate mitigation measure announced by the Federal Government is the proposed Carbon Pollution Reduction Scheme. We need to employ a suite of measures to reduce climate change. I believe a emissions trading scheme could be one measure, if it has a strong target that will help deliver stabilization at 300ppm, but it is in no way the only measure needed to help global efforts to reduce climate change and provide a safe climate.

I would like to call on all Federal Members to not allow the CPRS to become law in its current form. I do not support the CPRS in its current form for the following reasons:

- The CPRS Target is far too weak. If adopted globally, a 5-15% target would guarantee the loss of the Great Barrier Reef and the Kakadu wetlands. It would wipe out the homes of millions and would drive perhaps 39% of terrestrial species to extinction.

A 5-15% reduction target by 2020 corresponds with a strategy to stabilise carbon dioxide in the atmosphere at 550 ppm (parts per million)<sup>1</sup>. The Federal Government's climate change adviser, Professor Ross Garnaut found that even a strategy to stabilise CO<sub>2</sub> concentrations at 450 ppm would still leave us with a 54% chance of irreversible melting of the Greenland ice sheet, leading to an eventual rise in sea levels of 6-7 metres.

Most frighteningly of all, failure on this scale would most likely precipitate the tipping point into runaway climate change, where the earth begins producing greenhouse gases of its own accord as natural systems are thrown into chaos. Once this happens, we will no longer be able to avert catastrophe.

I believe that there are a number of other design flaws in the CPRS, including:

- There is an emissions floor in the CPRS. I oppose the inclusion of emissions floor in the CPRS because it means that any reductions in emissions that individuals make through their own initiative (such as installing solar panels, energy efficient lightbulbs, riding bikes instead of driving cars etc.) actually reduce demand for permits which drives down prices and enables polluting industries to buy more and cheaper permits. This means that households and individuals cannot decide to increase Australia's emissions reduction target through their own actions because no matter what individuals do, Australia will only reduce its emissions by 5% by 2020. If our emissions target was in line with what is required by the science (a minimum of 25-40% by 2020 over 1990 levels) this would not be so much of a problem.
- Pollution permits are defined as property rights rather than licenses/allowances. This means that if the government were to increase the emissions reduction target at a later date, taxpayers would be forced to compensate industry, leading to a significant burden on the Australian economy. There must be a

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<sup>1</sup> The pre-industrial levels of carbon dioxide in the earth's atmosphere were 280 ppm (parts per million). Since the industrial revolution, this has risen to 385ppm and is still rising.

legal mechanism inserted into the CPRS that would allow for targets to be increased in the future, and permits must not be defined as property rights but rather as licenses/allowances which can be withdrawn.

- Assistance to “Emissions Intensive Trade Exposed” (EITE) industries. Initially 25% of permits will be given to EITE Industries. The government expects this may rise to 45% by 2020, if EITE industries grow at the same rate as the rest of the economy.

This is a problem because it gives the most polluting industries a competitive advantage over less polluting industries and, if too much assistance is given, completely defeats the 'market mechanism' of an ETS (which is that rising costs to polluters act as an incentive for industries to shift to less polluting industries). There is also \$3.9 billion being given to the coal industry ('strongly affected industries'), which will weaken the scheme in a similar way to the free permits to EITE industries.

- There is no limit on international credits. The CPRS allows for firms to buy an unlimited amount of international credits (from Clean Development Mechanism (CDM) offset projects as defined within the Kyoto Protocol<sup>2</sup>), which it predicts firms will engage in when international credits are cheaper than domestic permits or abatement. There are a number of problems with this. Firstly, there is a large risk that absolutely no domestic abatement will occur and there will be absolutely no shift in the Australian economy away from coal and other polluting industries and towards renewable energy production. This is what Australia will need if we want a prosperous future in a carbon constrained world. Secondly, all offset projects do not actually reduce net emissions. Lastly, many CDM offset projects are extremely dubious and actually result in no reductions in greenhouse gases but perversely result in a net increase in greenhouse gas emissions.
- There is a price cap on pollution permits. The CPRS has a price cap on pollution permits of \$40/tonne. An ETS depends on supply and demand determining the price of carbon. If an arbitrary maximum price is set, carbon will be sold too cheaply and defeat the purpose of the ETS. It also means that if the market price of carbon were to rise above \$40/tonne, in order to push the price back down to \$40/tonne the government would loosen the scheme cap (this may mean that taxpayers will then have to compensate for industry and buy the extra permits on the international market, but otherwise it means that the ETS has no scheme cap). In addition, the \$40 price cap acts as the only punitive measure against firms who choose to emit more than the emissions permits that they have bought at an auction.

A major concern of mine is that forestry is included in the CPRS in a manner that will result in perverse outcomes for our native forest ecosystems that continue to be logged and degraded despite their critical role in regulating the Earth's climate.

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<sup>2</sup> Offset credits are rewards for reductions in emissions measured against an assumed baseline (White Paper, p. 6-62).

The White Paper includes voluntary reforestation and not deforestation within the scheme. This is not appropriate and will result in more funds being available for logging companies to log native forests whilst benefiting from the financial rewards for reforestation. It is my opinion that forestry should be excluded altogether for the CPRS. What is required is another mechanism and government managed fund that will deliver the protection and restoration of native forest ecosystems across Australia. This should happen in conjunction with an immediate end to the logging, landclearing, conversion of native forests to agriculture and plantations and a reduction in anthropogenic emissions from burning native vegetation. A long term strategy should be developed and implemented to protect and manage nature, natural ecosystems and native forests and their ecological processes on a landscape scale. This will help to mitigate climate change by protecting existing carbon stores and allowing maximum carbon sequestration in native vegetation ecosystems and it will help nature and ecosystems maintain their resilience and help them to adapt to climate change.

All leading science is showing that we need to take all available measure to ensure a peak in emissions is achieved globally by 2015. In order to achieve this the Australian government must ensure the protection and restoration of Australia's native forest ecosystems and advocate for a global fund to protect and restore the world's forests as part of global efforts to stabilize GHG concentrations to a safe level.

In all policy proposals priority should be given to the protection of primary forests in Australia and in developing nations in additions to cuts in greenhouse gas emissions. The loopholes in the Land use and Land Use Change rules and accounting need to be amended and the definition of forests need to be amended to exclude plantations. Plantations are tree crops, they are not natural ecosystems. I would like to encourage the Rudd Government to accept the policy recommendations and carbon accounting system advice and definitions of forest degradation included in the Green Carbon Report which was recently released from the Australian National University (Mackey et al) and to recognize the significant role that protecting Australia's native forests could play in Australia's contribution to reducing human induced climate change.

The protection of forests should not allow big pollution companies to avoid reduction in GHG pollution or they should not be used as offsets for developed countries to avoid reducing their emissions.

We need to ensure a just transition for workers in carbon polluting industries including the coal, mining, and native forest based forestry and pulp and paper product industries. I believe we have developed adequate transition strategies to restructure the wood and paper product industries so they are based solely on existing plantations.

I sincerely hope you consider my submission and do what is required to give all peoples, countries and nature the best chance of survival by securing a safe climate.

Gemma Tillack